IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1955

No. 633

SEARS, ROEBUCK AND CO.,
a corporation,
Petitioner,

vs.

RY-LOCK COMPANY, LTD.,
a corporation,
Respondent.

PETITION FOR REHEARING

Comes now the above named petitioner, Sears, Roebuck And Co., and presents this, its petition for rehearing of the above entitled cause, wherein a petition for Writ of Certiorari was denied, March 12, 1956, and, in support thereof, respectfully shows:

1. That the petitioner, in its amended answer to the complaint (Sec. IX, R. pp. 12, 13, 14), alleged that the patentee, David Jordan Rust, was not the first and original inventor of the structure disclosed in patent No. 2,372,912 (Exhibit Book, R. 192-194); that the invention of said patent was known to said Rust to have been in public use and on sale for more than one year prior to his application of Letters Patent No. 2,372,912; and that there was perpetrated, in applying for said Letters Patent, a fraud upon the public and the United States Patent Office, such application at its time of filing being filed knowing that the alleged inventions disclosed and claimed by said Letters Patent, No. 2,372,912 were not new and patentable, and had been in use and on sale for more than one year prior to the application therefor; and that such

Letters Patent No. 2,372,912 were obtained surreptitiously and fraudulently, knowing that the inventions of said Letters Patent No. 2,372,912 were not the inventions of said Rust.

2. The patentee, Rust, admitted selling frameless screens prior to 1942 (bottom of page R. 94) admitted selling the same under the trade name "NU WAY" in 1938-1940 (R. 95); admitted (R. 98 extending to R. 99) that he knew there had been installed in Oakland in the year 1939 several frameless screens having the approximate structure of Defendant's Exh. A (Exhibit Book 135); admitted the settlement of a suit for declaratory judgment brought by the Lang Company asking for a ruling of invalidity of Patent No. 2,372,912 (R. 98); admitted that the structure of the "NU WAY" screen was substantially Defendant's Exhibit A, (Exhibit Book 135) and, (R. 102), brought in Plaintiff's Exh. 18 as the structure of the "NU WAY" frameless screen made and sold by him and the respondent years prior to the filing date of Letters Patent No. 2,372,912 which exhibit is substantially the same as Defendant's Exhibit A (R. 135), and is an anticipation of the claimed structure of patent 2,372,912.

3. Such "NU WAY" structure (Exhibit Book 135) conforms exactly, word for word, in every respect and detail to claims 1 and 2 of the Rust patent, No. 2,372,912.

4. Rust, the inventor, knew of this "NU WAY" structure; knew of the floating channel and the flange extending into it; knew of a manually operable tension means connected to the bar at the lower end of the screen which was engaged with a keeper on the sill to tension the screen vertically; and knew it had been manufactured and in public use in 1939 at the time he filed application for patent No. 2,372,912, on July 25, 1944 (Ex. Book, 192).

5. The application for patent was filed with claims 1 and 2 of patent No. 2,372,912 (such claims at Ex. Bk. 194). Such claims 1 and 2 are a word picture of the "NU WAY" screen (Exhibit Book 135) admittedly on the market and in public use in 1939, and sold by the patentee, Rust.

6. The plaintiff (respondent herein), in this suit and in the prior litigation instituted by the Lang Company (R. 98) avoided and side-stepped determination of the validity issue respecting such patent No. 2,372,912, and has

held and still holds this patent as a threat to the public, such patent being fraudulently and surreptitiously obtained.

7. After suing the petitioner herein on such patent, and putting petitioner to the trouble and expense of hunting out and establishing the facts of invalidity because of prior public use and sale, an avoidance of a ruling on invalidity was done by voluntarily dismissing the suit on such patent with prejudice, the patent still remaining a threat to the public.

8. Such patent No. 2,372,912, obviously void and known to be so, applied for in 1944 after direct knowledge of prior public use and sale in 1939 by the patentee himself, five years earlier than applying for patent, and with such applicant (Rust) not the one who devised the "NU WAY" structure (Ex. Book 135) thus sold, the respondent is smothered in inequity, and is before the court with unclean hands.

DISCUSSION AND ARGUMENT

A *valid* patent is not, accurately speaking, a monopoly. (*United States vs. Dubilier Condenser Corp.*, 289 U. S. 178; 53 S. Ct. 554 @ p. 557, (1)). An *invalid* patent, however, is an indefensible monopoly. It conforms to the definition of a monoply stated by the Supreme Court in such citation. For an existing patent which is prima facie valid but actually invalid deprives the public of that which it should freely enjoy.

When, as here, the respondent as owner of Patent No. 2,372,912 (Ex. Bk. 192) must know of the invalidity of such patent, yet persists in holding its threat over the public and avoids and averts any and all judicial determination of the question, it is submitted, it is not in the court with clean hands.

Having fraudulently obtained the patent, knowing of the prior use and sale which must invalidate such patent, yet maintaining the threat for future holding over the public so that each and everyone accused of infringement must endeavor, as well as may be, to obtain the evidence of invaladity, it is submitted, that the entire proceeding brought by Ry-Lock Company, the respondent, against Sears, Roe-

buck And Co., the petitioner, is so tainted with fraud, deceit and inequity that such respondent, not before the court with clean hands, should be refused any standing in and assistance by a court.

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In *Precision Instrument Mfg. Co. vs. Automotive Maintenance Machinery Co.,* 324 U. S. 806; 65 S. Ct. 993, one of the three patents in such suit was so smothered in inequity that the plaintiff, owner of such patent, was denied all relief as to such patent and the other two patents, being held not to have clean hands. It was held to be a requirement that the one coming into equity shall have acted fairly and without fraud or deceit (at p. 997, 65 S. Ct.).

At page 998, it was held that where in a suit in equity, public interest as well as private interests of the litigants are concerned, the doctrine assumes even wider and more significant proportions.

A patent is a restriction upon the public. It does not concern only an alleged infringer, but it is a matter in which the public is vitally concerned. A patent owner *properly* excludes the public from manufacture, use or sale of his patented structure if his patent is *valid.* But when his patent is *invalid,* and the patentee must have known, and his acts as in this case show did know of its invalidity, it is submitted that there is that inequity present to justify the petitioner herein to ask for an exercise of the wide range to an equity court's use of discretion in refusing aid to an unclean litigant, like done in *Precision Instrument Mfg. Co. vs. Automotive Maintenance Machinery Co.,* supra.

Such case and the numerous citations therein, define the wide range of an equity court's use of its discretion in refusing aid to unclean litigants and one particularly where the public interest is vitally concerned as it is in conjunction with Letters Patent of the United States for inventions.

Always where acts are contrary to the public interest in conjunction with patents for invention, courts of equity may appropriately withhold their aid in a case where the plaintiff owner of a patent is using the right asserted contrary to public interest. *Morton Salt Co. vs. G. S. Suppiger Co.,* 314 U. S. 488; 315 U. S. 788; 62 S. Ct. 402.

These cases unerringly point the direction which is followed. The record of this case shows not only invalidity of the patent No. 2,372,912, but that the patentee knew of the prior structure which invalidates such patent, handled it and sold it five years before he made application which resulted in patent No. 2,372,912; and after issuance of patent No. 2,372,912 asserted it strongly.

A license has been granted which includes such patent No. 2,372,912 as well as others (R. 57-93). The litigation instituted by the Lang Co. was because of assertion of such patent against Lang Co. It was settled with no judicial determination of the alleged invalidity of patent No. 2,372,912 which was the basis of the declaratory judgment action.

In the present suit, the charge of infringement against petitioner by respondent based upon such patent No. 2,372,912 required the expenditure of time and money by such petitioner to gather the evidence for invalidating such patent No. 2,372,912. Invalidity finding was avoided by dismissal by respondent as against the petitioner with prejudice, thereby freeing the petitioner so far as such patent is concerned, but still leaving it a threat against the public and against public interest.

WHEREFORE, it is respectfuly asked that the court in view of such inequitable conduct of the respondent grant the petition for Writ of Certiorari heretofore made, and which was denied by this court on March 12, 1956.

This petition is based upon substantial grounds available to petitioner although not previously presented, because of public interest requiring a settlement of whether or not an invalid patent may have its invalidity determination by a court evaded and averted by its owner for continuous maintenance of the threat of such patent over the public; and whether or not such procedure by the owner of a patent is of such deceit and inequity as to deprive the patent owner of standing in a court of equity in which such patent has been asserted against a defendant charged to infringe it.

Respectfully submitted,

SEARS, ROEBUCK AND COMPANY,
By FRANK E. LIVERANCE, JR.,
Counsel for Petitioner.

CERTIFICATE OF COUNSEL

I, Frank E. Liverance, Jr., counsel for the above named petitioner, Sears, Roebuck And Co., do hereby certify that the foregoing petition for rehearing of this cause is presented in good faith and not for purposes of delay; and further that the herein petition is restricted to the grounds of inequity and unclean hands of respondent specified.

FRANK E. LIVERANCE, JR.,
Counsel for Petitioner.